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SENATE BILL 569

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

RICHARD M ROMERO

AN ACT

RELATING TO ELECTIONS; ENACTING THE CITIZENS' ELECTION ACT;  
PROVIDING FOR PUBLIC FINANCING OF ELECTION CAMPAIGNS FOR THE  
OFFICE OF STATE AUDITOR AS A PILOT PROJECT; CREATING A FUND;  
IMPOSING A PENALTY; AMENDING AND ENACTING SECTIONS OF THE NMSA  
1978; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE. -- Sections 1  
through 8 of this act may be cited as the "Citizens' Election  
Act".

Section 2. [NEW MATERIAL] PURPOSE OF ACT. -- The purpose of  
the Citizens' Election Act is to invest in good government by  
using public funds to reduce overall campaign expenditures,  
lessen the influence of contributions from private sources and  
encourage new political candidates. The Citizens' Election Act

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1 provides a public financing pilot project for the office of  
2 state auditor.

3 Section 3. [NEW MATERIAL] DEFINITIONS. --As used in the  
4 Citizens' Election Act:

5 A. "certified candidate" means a candidate running  
6 for the office of state auditor who is certified by the  
7 secretary as a Citizens' Election Act candidate;

8 B. "contribution" means that term as defined in the  
9 Campaign Reporting Act;

10 C. "election cycle" means the period beginning  
11 April 1 of the year of the election and ending three days after  
12 the general election;

13 D. "fund" means the citizens' election fund;

14 E. "nonparticipating candidate" means a candidate  
15 running for the office of state auditor who does not choose to  
16 participate in the Citizens' Election Act public financing pilot  
17 project and who is not seeking to be certified as a Citizens'  
18 Election Act candidate;

19 F. "participating candidate" means a candidate  
20 running for the office of state auditor who has filed a  
21 declaration of intent to participate in the Citizens' Election  
22 Act public financing pilot project and who is seeking to be  
23 certified as a Citizens' Election Act candidate;

24 G. "qualifying contribution" means a donation of  
25 five dollars (\$5.00) in the form of a check or a money order

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1 payable to the fund in support of a candidate;

2 H. "qualifying period" means the period beginning on  
3 January 1 of the year of the election and ending on March 31 of  
4 the year of the election;

5 I. "secretary" means the secretary of state;

6 J. "seed money" means a cash contribution of no more  
7 than one hundred dollars (\$100) per contributor per candidate,  
8 including a contribution from the candidate or a member of the  
9 candidate's family; and

10 K. "task force" means the citizens' election task  
11 force.

12 Section 4. [NEW MATERIAL] TERMS OF PARTICIPATION--  
13 DECLARATION OF INTENT--SEED MONEY--QUALIFYING CONTRIBUTIONS--  
14 FILING--CERTIFICATION--FUND DISTRIBUTION.--

15 A. A person who chooses to participate in the  
16 Citizens' Election Act public financing pilot project shall file  
17 with the secretary a declaration of intent to be a participating  
18 candidate. The declaration of intent shall be filed with the  
19 secretary no more than fourteen days prior to or during the  
20 qualifying period, except as provided in Subsection N of this  
21 section, on forms and according to procedures developed by the  
22 secretary. A participating candidate shall submit a declaration  
23 of intent prior to collecting seed money or qualifying  
24 contributions. A candidate who files a declaration of intent  
25 shall swear or affirm that the candidate has complied with and

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1 shall continue to comply with Citizens' Election Act  
2 contribution and expenditure limits and shall comply with all  
3 other requirements of that act.

4 B. Subsequent to filing a declaration of intent, a  
5 participating candidate may not accept contributions except for  
6 seed money and qualifying contributions. A participating  
7 candidate shall limit seed money expenditures to no more than  
8 two thousand five hundred dollars (\$2,500). A candidate may  
9 collect and spend seed money contributions subsequent to filing  
10 a declaration of intent to participate with the secretary and  
11 throughout the qualifying period. A candidate may not collect  
12 or spend seed money after certification as a Citizens' Election  
13 Act candidate. Seed money may be used to enable a candidate to  
14 collect qualifying contributions.

15 C. Qualifying contributions from at least two  
16 hundred fifty registered voters of this state are required in  
17 order for a participating candidate to become a certified  
18 candidate pursuant to provisions of the Citizens' Election Act.  
19 No payment, gift or anything of value may be given in exchange  
20 for a qualifying contribution. The secretary shall deposit all  
21 qualifying contributions into the fund. A qualifying  
22 contribution may only be made by a registered voter during the  
23 qualifying period and shall be acknowledged by a written receipt  
24 that includes the name and address of the donor. A qualifying  
25 contribution shall be submitted to the participating candidate

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1 and filed with the secretary during the qualifying period.

2 D. No later than three days after receipt of two  
3 hundred fifty qualifying contributions on behalf of a  
4 participating candidate, the secretary shall certify a  
5 participating candidate who has complied with requirements of  
6 this subsection. In order to be certified, candidates shall  
7 have:

8 (1) filed a declaration of intent to  
9 participate in the Citizens' Election Act public financing pilot  
10 project;

11 (2) submitted the appropriate number of  
12 qualifying contributions;

13 (3) complied with seed money contribution and  
14 expenditure restrictions; and

15 (4) otherwise met the requirements for  
16 participation in the Citizens' Election Act public financing  
17 pilot project.

18 E. Upon certification, a certified candidate shall  
19 transmit to the secretary the balance of unspent seed money for  
20 deposit into the fund.

21 F. Certified candidates shall limit campaign  
22 expenditures and debts to the amount of revenues distributed to  
23 the certified candidate from the fund. A certified candidate  
24 may accept up to a total of ten thousand dollars (\$10,000) of  
25 in-kind contributions during the qualifying period and election

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1 cycle. All revenues distributed from the fund to a certified  
2 candidate shall be used for campaign-related purposes.

3 G. The secretary shall distribute to certified  
4 candidates the following amounts from the fund:

5 (1) within three days after certification,  
6 seventeen thousand dollars (\$17,000) for primary elections; and

7 (2) within three days after the primary,  
8 seventeen thousand dollars (\$17,000) for contested general  
9 elections. Money from the fund shall not be distributed for  
10 uncontested general elections.

11 H. Money from the fund that is distributed prior to  
12 the primary election may be held over and used for the general  
13 election; however, all unspent money from the fund distributed  
14 to unsuccessful certified candidates in a primary shall be  
15 transmitted to the secretary for deposit into the fund within  
16 three days after the primary. Within three days after the  
17 general election, all unspent money distributed from the fund  
18 shall be transmitted to the secretary for deposit back into the  
19 fund.

20 I. Certified candidates not enrolled in a party and  
21 certified candidates enrolled in parties that do not hold a  
22 primary are eligible for revenues from the fund in the same  
23 amounts, and at the same time, as certified candidates who are  
24 enrolled in a party and participate in the primary process.

25 J. If a certified candidate is opposed by a

1 nonparticipating candidate, then the expenditure limits on the  
2 certified candidate shall be waived, and the certified candidate  
3 shall receive additional money from the fund equal to the amount  
4 spent by the nonparticipating candidate above the expenditure  
5 limits for certified candidates, up to a limit of two times the  
6 amount distributed under Subsection G of this section.

7 K. Notwithstanding any other provision of law,  
8 participating candidates and certified candidates shall report  
9 any money collected and all campaign expenditures, obligations  
10 and related activities to the secretary at least every thirty  
11 days and nonparticipating candidates shall report any money  
12 collected and all campaign expenditures, obligations and related  
13 activities to the secretary at least every seven days.

14 L. No political committee or person, other than a  
15 nonparticipating candidate who contributes to his own campaign,  
16 shall make contributions that, in the aggregate, exceed five  
17 hundred dollars (\$500) to a candidate or his campaign committee  
18 with respect to an election covered by the Citizens' Election  
19 Act.

20 M. Candidates participating in the Citizens'  
21 Election Act public financing pilot project shall comply with  
22 all other applicable, nonconflicting election and campaign laws  
23 and regulations.

24 N. The secretary may adopt regulations and reporting  
25 forms necessary to implement the provisions of the Citizens'

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1 Election Act, including regulations regarding qualification,  
2 certification, disbursement of fund revenues and return of  
3 unspent fund revenues. The secretary shall adopt regulations  
4 for challenges to certification decisions, races involving  
5 special elections, recounts, vacancies, withdrawals or  
6 replacement candidates. In developing regulations and forms,  
7 the secretary shall use existing campaign reporting procedures  
8 and forms whenever practicable.

9 Section 5. [NEW MATERIAL] CITIZENS' ELECTION FUND  
10 CREATED. --

11 A. The "citizens' election fund" is created as a  
12 revolving fund in the state treasury. The fund shall consist of  
13 appropriations, fees, seed money, qualifying contributions,  
14 gifts, grants, donations and interest earned on investment of  
15 money in the fund. Money in the fund is appropriated to the  
16 secretary and shall not revert at the end of the fiscal year.

17 B. The purpose of the fund is to provide funds for  
18 election campaigns pursuant to the provisions of the Citizens'  
19 Election Act.

20 C. The fund shall be administered by the secretary.  
21 Money in the fund shall be expended only on warrants drawn by  
22 the secretary of finance and administration pursuant to vouchers  
23 signed by the secretary or his authorized representative in  
24 accordance with the provisions of the Citizens' Election Act.

25 Section 6. [NEW MATERIAL] CITIZENS' ELECTION TASK FORCE--

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1 CREATED-- DUTIES. --

2 A. The "citizens' election task force" is created.  
3 The task force shall function from the date of its appointment  
4 until December 31, 1998.

5 B. The task force shall be composed of nine members  
6 appointed as follows: three members shall be appointed by the  
7 governor; three members shall be appointed by the president pro  
8 tempore of the senate; and three members shall be appointed by  
9 the speaker of the house of representatives. No elected  
10 official shall be eligible to be a task force member. Each task  
11 force member shall have a history of involvement with the  
12 political process in New Mexico, with nonprofit organizations  
13 concerned with the electoral process, or both, for a period of  
14 at least two years prior to appointment.

15 C. The task force shall oversee and monitor the  
16 public financing pilot project pursuant to provisions of the  
17 Citizens' Election Act and, on completion of the pilot project,  
18 shall issue a report on its findings, conclusions and  
19 recommendations. In developing its report, the task force shall  
20 consider whether:

- 21 (1) overall campaign expenditures were reduced;  
22 (2) the amount of private contributions and  
23 candidates' personal funds was significantly less; and  
24 (3) new and additional candidates participated  
25 in the campaigns.

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1           Section 7.   ~~[NEW MATERIAL]~~   EDUCATION AND VOLUNTARY  
2 COMPLIANCE-- INVESTIGATIONS-- BINDING ARBITRATION-- REFERRALS FOR  
3 ENFORCEMENT. --

4           A.   The secretary shall advise and seek to educate  
5 all persons required to perform duties pursuant to the  
6 provisions of the Citizens' Election Act about those duties.  
7 The secretary, in consultation with the attorney general, shall  
8 issue advisory opinions, when requested in writing to do so, on  
9 matters concerning that act. All prescribed forms prepared  
10 shall be clear and easy to complete.

11           B.   The secretary may initiate investigations to  
12 determine whether a provision of the Citizens' Election Act has  
13 been violated. Additionally, a person who believes that a  
14 provision of that act has been violated may file a written  
15 complaint with the secretary any time prior to ninety days after  
16 an election, except that no complaints from the public may be  
17 filed within eight days prior to an election. The secretary  
18 shall adopt procedures for issuing advisory opinions and  
19 processing complaints and notifications of violations.

20           C.   The secretary shall at all times seek to ensure  
21 voluntary compliance with the provisions of the Citizens'  
22 Election Act. If the secretary determines that a provision of  
23 that act for which a penalty may be imposed has been violated,  
24 the secretary shall by written notice set forth the violation  
25 and the fine imposed and inform the reporting person that he has

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1 ten working days from the date of the letter to correct the  
2 matter and to provide a written explanation, under penalty of  
3 perjury, stating any reason why the violation occurred. If a  
4 timely explanation is filed and the secretary determines that  
5 good cause exists to waive the fine imposed, the secretary may  
6 by a written notice of final action partially or fully waive any  
7 fine imposed for any late, incomplete or false report or  
8 statement of exception. A written notice of final action shall  
9 be sent by certified mail.

10 D. Upon receipt of the notice of final action, the  
11 person against whom the penalty has been imposed may protest the  
12 secretary's determination, including an advisory opinion, by  
13 submitting on a prescribed form a written request for binding  
14 arbitration to the secretary within ten working days of the date  
15 of the notice of final action. Any fine imposed shall be due  
16 and payable within ten working days of the date of notice of  
17 final action. No additional fine shall accrue pending the  
18 issuance of the arbitration decision. Fines paid pursuant to a  
19 notice of final action that are subsequently reduced or  
20 dismissed shall be reimbursed with interest within ten working  
21 days after the filing of the arbitration decision with the  
22 secretary. Interest on the reduced or dismissed portion of the  
23 fine shall be the same as the rate of interest earned by the  
24 secretary's escrow account.

25 E. An arbitration hearing shall be conducted by a

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1 single arbitrator selected by the person against whom the  
2 penalty has been imposed from a list of five arbitrators  
3 provided by the secretary. The secretary shall provide notice  
4 of the selection within fifteen days of receipt of the request  
5 for arbitration. Neither the secretary nor a person subject to  
6 the Campaign Reporting Act, Lobbyist Regulation Act, Financial  
7 Disclosure Act or Citizens' Election Act may serve as an  
8 arbitrator. Arbitrators selected by the secretary shall be  
9 considered to be independent contractors, not public officers or  
10 employees, and shall not be paid per diem and mileage.

11 F. The arbitrator shall conduct the hearing within  
12 thirty days of the request for arbitration. The arbitrator may  
13 impose any penalty the secretary is authorized to impose. The  
14 arbitrator shall state the reasons for his decision in a written  
15 document that shall be a public record. The decision shall be  
16 final and binding. The decision shall be issued and filed with  
17 the secretary within thirty days of the conclusion of the  
18 hearing. Unless otherwise provided for in this section, or by  
19 rule or regulation adopted by the secretary, the procedures for  
20 the arbitration shall be governed by the Uniform Arbitration  
21 Act. No arbitrator shall be subject to liability for actions  
22 taken pursuant to this section.

23 G. The secretary may refer a matter to the attorney  
24 general or a district attorney for a civil injunctive or other  
25 appropriate order or enforcement.

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1           Section 8. [NEW MATERIAL] PENALTIES. -- In addition to any  
2 other penalties that may be assessed, any person who knowingly  
3 and willfully violates any of the provisions of the Citizens'  
4 Election Act shall be punished by a fine of up to five thousand  
5 dollars (\$5,000).

6           Section 9. Section 1-19-29.1 NMSA 1978 (being Laws 1993,  
7 Chapter 46, Section 6, as amended) is amended to read:

8           "1-19-29.1. CAMPAIGN FUNDS--LIMITATION ON USE. --

9           A. It is unlawful for any candidate or his agent to  
10 make an expenditure of contributions received, except for the  
11 following purposes or as otherwise provided in this section:

12                           (1) expenditures of the campaign;

13                           (2) expenditures of legislators that are  
14 reasonably related to performing the duties of the office held,  
15 including mail, telephone and travel expenditures to serve  
16 constituents, but excluding personal and legislative session  
17 living expenses;

18                           (3) donations to the ~~[state]~~ general fund;

19                           (4) donations to an organization to which a  
20 federal income tax deduction would be permitted under  
21 Subparagraph (A) of Paragraph (1) of Subsection (b) of Section  
22 170 of the Internal Revenue Code of 1986, as amended;

23                           (5) expenditures to eliminate the campaign debt  
24 of the candidate for the office sought or expenditures incurred  
25 by the candidate when seeking election to another public office

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1 covered by the Campaign Reporting Act, except the state auditor:

2 (6) donations to a political party or to  
3 another candidate seeking election to public office, except the  
4 state auditor; or

5 (7) disbursements to return unused funds pro  
6 rata to the contributors if no campaign debt exists.

7 B. A judge subject to a nonpartisan retention  
8 election or a candidate for judicial office shall solicit or  
9 accept campaign funds and return unused funds in accordance with  
10 the provisions of the Code of Judicial Conduct.

11 C. No contributions solicited for or received in a  
12 federal election campaign may be used in a state election  
13 campaign. "

14 Section 10. Effective December 31, 1998, Section 1-19-29.1  
15 NMSA 1978 (being Laws 1993, Chapter 46, Section 6, as amended  
16 and as further amended by Section 9 of this act) is amended to  
17 read:

18 "1-19-29.1. CAMPAIGN FUNDS--LIMITATION ON USE. --

19 A. It is unlawful for any candidate or his agent to  
20 make an expenditure of contributions received, except for the  
21 following purposes or as otherwise provided in this section:

- 22 (1) expenditures of the campaign;
- 23 (2) expenditures of legislators that are  
24 reasonably related to performing the duties of the office held,  
25 including mail, telephone and travel expenditures to serve

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1 constituents, but excluding personal and legislative session  
2 living expenses;

3 (3) donations to the general fund;

4 (4) donations to an organization to which a  
5 federal income tax deduction would be permitted under  
6 Subparagraph (A) of Paragraph (1) of Subsection (b) of Section  
7 170 of the Internal Revenue Code of 1986, as amended;

8 (5) expenditures to eliminate the campaign debt  
9 of the candidate for the office sought or expenditures incurred  
10 by the candidate when seeking election to another public office  
11 covered by the Campaign Reporting Act [~~except the state~~  
12 ~~auditor~~];

13 (6) donations to a political party or to  
14 another candidate seeking election to public office [~~except the~~  
15 ~~state auditor~~]; or

16 (7) disbursements to return unused funds pro  
17 rata to the contributors if no campaign debt exists.

18 B. A judge subject to a nonpartisan retention  
19 election or a candidate for judicial office shall solicit or  
20 accept campaign funds and return unused funds in accordance with  
21 the provisions of the Code of Judicial Conduct.

22 C. No contributions solicited for or received in a  
23 federal election campaign may be used in a state election  
24 campaign. "

25 Section 11. Section 2-11-3 NMSA 1978 (being Laws 1977,

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1 Chapter 261, Section 3, as amended) is amended to read:

2 "2-11-3. REGISTRATION STATEMENT TO BE FILED--CONTENTS--  
3 MODIFICATION TO STATEMENT. --

4 A. In the month of January prior to each regular  
5 session or before any service covered by the Lobbyist Regulation  
6 Act commences, any individual who is initially employed or  
7 retained as a lobbyist shall register with the secretary of  
8 state by paying an annual filing fee of [~~twenty-five dollars~~  
9 ~~(\$25.00)~~] one hundred dollars (\$100) for each of the lobbyist's  
10 employers, seventy-five dollars (\$75.00) of which shall be  
11 credited to the citizens' election fund, and by filing a single  
12 registration statement under oath on a prescribed form showing:

13 (1) the lobbyist's full name, permanent  
14 business address and business address while lobbying; and

15 (2) the name and address of each of the  
16 lobbyist's employers.

17 B. No registration fee shall be required of  
18 individuals receiving only reimbursement of personal expenses  
19 and no other compensation or salary for lobbying. No  
20 expenditure statement required by Section 2-11-6 NMSA 1978 shall  
21 be required if the lobbyist anticipates making or incurring and  
22 makes or incurs no expenditures or political contributions under  
23 Section 2-11-6 NMSA 1978. The lobbyist shall indicate in his  
24 registration statement whether those circumstances apply to him.

25 C. For each employer listed in Paragraph (2) of

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1 Subsection A of this section, the lobbyist shall file the  
2 following information:

3 (1) a full disclosure of the sources of funds  
4 used for lobbying;

5 (2) a written statement from each of the  
6 lobbyist's employers authorizing him to lobby on the employer's  
7 behalf;

8 (3) a brief description of the matters in  
9 reference to which the service is to be rendered; and

10 (4) the name and address of the person, if  
11 other than the lobbyist or his employer, who will have custody  
12 of the accounts, bills, receipts, books, papers and documents  
13 required to be kept under the provisions of the Lobbyist  
14 Regulation Act.

15 D. For each succeeding year that an individual is  
16 employed or retained as a lobbyist by the same employer, and for  
17 whom all the information disclosed in the initial registration  
18 statement remains substantially the same, the lobbyist shall  
19 file a simple annual registration renewal in January and pay the  
20 [~~twenty-five dollar (\$25.00)~~] one hundred dollar (\$100) filing  
21 fee for each of the lobbyist's employers together with a short,  
22 abbreviated prescribed form for renewal.

23 E. Whenever there is a modification of the facts  
24 required to be set forth by this section or there is a  
25 termination of the lobbyist's employment as a lobbyist before

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1 the end of the calendar year, the lobbyist shall notify the  
2 secretary of state within one month of such occurrence and shall  
3 furnish full information concerning the modification or  
4 termination. If the lobbyist's employment terminates at the end  
5 of a calendar year, no separate termination report need be  
6 filed."

7 Section 12. Effective December 31, 1998, Section 2-11-3  
8 NMSA 1978 (being Laws 1977, Chapter 261, Section 3, as amended  
9 and as further amended by Section 11 of this act) is amended to  
10 read:

11 "2-11-3. REGISTRATION STATEMENT TO BE FILED--CONTENTS--  
12 MODIFICATION TO STATEMENT.--

13 A. In the month of January prior to each regular  
14 session or before any service covered by the Lobbyist Regulation  
15 Act commences, any individual who is initially employed or  
16 retained as a lobbyist shall register with the secretary of  
17 state by paying an annual filing fee of [~~one hundred dollars~~  
18 ~~(\$100)~~] twenty-five dollars (\$25.00) for each of the lobbyist's  
19 employers, [~~seventy-five dollars (\$75.00) of which shall be~~  
20 ~~credited to the citizens' election fund~~] and by filing a single  
21 registration statement under oath on a prescribed form showing:

22 (1) the lobbyist's full name, permanent  
23 business address and business address while lobbying; and

24 (2) the name and address of each of the  
25 lobbyist's employers.

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1           B. No registration fee shall be required of  
2 individuals receiving only reimbursement of personal expenses  
3 and no other compensation or salary for lobbying. No  
4 expenditure statement required by Section 2-11-6 NMSA 1978 shall  
5 be required if the lobbyist anticipates making or incurring and  
6 makes or incurs no expenditures or political contributions under  
7 Section 2-11-6 NMSA 1978. The lobbyist shall indicate in his  
8 registration statement whether those circumstances apply to him.

9           C. For each employer listed in Paragraph (2) of  
10 Subsection A of this section, the lobbyist shall file the  
11 following information:

12                   (1) a full disclosure of the sources of funds  
13 used for lobbying;

14                   (2) a written statement from each of the  
15 lobbyist's employers authorizing him to lobby on the employer's  
16 behalf;

17                   (3) a brief description of the matters in  
18 reference to which the service is to be rendered; and

19                   (4) the name and address of the person, if  
20 other than the lobbyist or his employer, who will have custody  
21 of the accounts, bills, receipts, books, papers and documents  
22 required to be kept under the provisions of the Lobbyist  
23 Regulation Act.

24           D. For each succeeding year that an individual is  
25 employed or retained as a lobbyist by the same employer, and for

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1 whom all the information disclosed in the initial registration  
2 statement remains substantially the same, the lobbyist shall  
3 file a simple annual registration renewal in January and pay the  
4 [~~one hundred dollar (\$100)~~] twenty-five dollar (\$25.00) filing  
5 fee for each of the lobbyist's employers together with a short,  
6 abbreviated prescribed form for renewal.

7 E. Whenever there is a modification of the facts  
8 required to be set forth by this section or there is a  
9 termination of the lobbyist's employment as a lobbyist before  
10 the end of the calendar year, the lobbyist shall notify the  
11 secretary of state within one month of such occurrence and shall  
12 furnish full information concerning the modification or  
13 termination. If the lobbyist's employment terminates at the end  
14 of a calendar year, no separate termination report need be  
15 filed."

16 Section 13. APPROPRIATION. --

17 A. Two hundred fifty thousand dollars (\$250,000) is  
18 appropriated from the general fund to the citizens' election  
19 fund for expenditure in fiscal years 1998 and 1999 for the  
20 purpose of providing public funds for election campaigns covered  
21 by the Citizens' Election Act. Any unexpended or unencumbered  
22 balance remaining in the fund at the end of fiscal year 1999  
23 shall revert to the general fund.

24 B. One hundred thousand dollars (\$100,000) is  
25 appropriated from the general fund to the secretary of state for

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1 expenditure in fiscal years 1998 and 1999 for the purpose of  
2 administering the Citizens' Election Act and providing for the  
3 costs of the citizens' election task force. Any unexpended or  
4 unencumbered balance remaining at the end of fiscal year 1999  
5 shall revert to the general fund.

6 Section 14. DELAYED REPEAL. -- Effective December 31, 1998  
7 the Citizens' Election Act is repealed.

8 Section 15. APPLICATION OF ACT. -- The provisions of this  
9 act apply to elections for the office of state auditor through  
10 December 31, 1998.

1 FORTY-THIRD LEGISLATURE  
2 FIRST SESSION, 1997

3  
4  
5 March 3, 1997

6  
7 Mr. President:

8  
9 Your JUDICIARY COMMITTEE, to whom has been referred

10  
11 SENATE BILL 569

12  
13 has had it under consideration and reports same with  
14 recommendation that it DO NOT PASS, but that

15  
16 SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR  
17 SENATE BILL 569

18  
19 DO PASS, and thence referred to the RULES COMMITTEE.

20  
21 Respectfully submitted,

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25 \_\_\_\_\_  
Fernando R. Macias, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

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(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 7 For 0 Against

Yes: 7

No: None

Excused: Sanchez

Absent: None

S0569JU1

SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR  
SENATE BILL 569

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

AN ACT

RELATING TO ELECTIONS; ENACTING THE TAXPAYER FUNDED ELECTION  
ACT; PROVIDING FOR PUBLIC FINANCING OF ELECTION CAMPAIGNS FOR  
THE OFFICE OF STATE AUDITOR AS A PILOT PROJECT; CREATING A FUND;  
IMPOSING A PENALTY; AMENDING AND ENACTING SECTIONS OF THE NMSA  
1978; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE. -- Sections 1 through  
8 of this act may be cited as the "Taxpayer Funded Election  
Act".

Section 2. [NEW MATERIAL] PURPOSE OF ACT. -- The Taxpayer  
Funded Election Act provides a public financing pilot project  
for the office of state auditor.

Section 3. [NEW MATERIAL] DEFINITIONS. -- As used in the  
Taxpayer Funded Election Act:

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A. "certified candidate" means a candidate running for the office of state auditor who is certified by the secretary as a Taxpayer Funded Election Act candidate;

1 B. "contribution" means that term as defined in the  
2 Campaign Reporting Act;

3 C. "election cycle" means the period beginning  
4 April 1 of the year of the election and ending three days after  
5 the general election;

6 D. "fund" means the Taxpayer Funded election fund;

7 E. "nonparticipating candidate" means a candidate  
8 running for the office of state auditor who does not choose to  
9 participate in the Taxpayer Funded Election Act public financing  
10 pilot project and who is not seeking to be certified as a  
11 Taxpayer Funded Election Act candidate;

12 F. "participating candidate" means a candidate running  
13 for the office of state auditor who has filed a declaration of  
14 intent to participate in the Taxpayer Funded Election Act public  
15 financing pilot project and who is seeking to be certified as a  
16 Taxpayer Funded Election Act candidate;

17 G. "qualifying contribution" means a donation of five  
18 dollars (\$5.00) in the form of a check or a money order payable  
19 to the fund in support of a candidate;

20 H. "qualifying period" means the period beginning on  
21 January 1 of the year of the election and ending on March 31 of  
22 the year of the election;

23 I. "secretary" means the secretary of state;

24 J. "seed money" means a contribution in the form of  
25 cash, check or money order of no more than one hundred dollars

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1 (\$100) per contributor per candidate, including a contribution from  
2 the candidate or a member of the candidate's family; and

3 K. "task force" means the taxpayer funded election task  
4 force.

5 Section 4. [NEW MATERIAL] TERMS OF PARTICIPATION--  
6 DECLARATION OF INTENT--SEED MONEY--QUALIFYING CONTRIBUTIONS--  
7 FILING--CERTIFICATION--FUND DISTRIBUTION.--

8 A. A person who chooses to participate in the Taxpayer  
9 Funded Election Act public financing pilot project shall file with  
10 the secretary a declaration of intent to be a participating  
11 candidate. The declaration of intent shall be filed with the  
12 secretary no more than fourteen days prior to or during the  
13 qualifying period, except as provided in Subsection N of this  
14 section, on forms and according to procedures developed by the  
15 secretary. A participating candidate shall submit a declaration of  
16 intent prior to collecting seed money or qualifying contributions.  
17 A candidate who files a declaration of intent shall swear or affirm  
18 that the candidate has complied with and shall continue to comply  
19 with Taxpayer Funded Election Act contribution and expenditure  
20 limits and shall comply with all other requirements of that act.

21 B. Subsequent to filing a declaration of intent, a  
22 participating candidate may not accept contributions except for  
23 seed money and qualifying contributions. A participating candidate  
24 shall limit seed money contributions and expenditures to no more  
25 than two thousand five hundred dollars (\$2,500). A candidate may

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1 collect and spend seed money contributions subsequent to filing a  
 2 declaration of intent to participate with the secretary and  
 3 throughout the qualifying period. A candidate may not collect or  
 4 spend seed money after certification as a Taxpayer Funded Election  
 5 Act candidate, and the balance of any unspent seed money shall be  
 6 transmitted to the secretary of state for deposit into the fund.  
 7 Seed money may be used to enable a candidate to collect qualifying  
 8 contributions.

9 C. Qualifying contributions from at least two hundred  
 10 fifty registered voters of this state are required in order for a  
 11 participating candidate to become a certified candidate pursuant to  
 12 provisions of the Taxpayer Funded Election Act. No payment, gift  
 13 or anything of value may be given in exchange for a qualifying  
 14 contribution. The secretary shall deposit all qualifying  
 15 contributions into the fund. A qualifying contribution may only be  
 16 made by a registered voter during the qualifying period and shall  
 17 be acknowledged by a written receipt that includes the name and  
 18 address of the donor. A qualifying contribution shall be submitted  
 19 to the participating candidate and filed with the secretary during  
 20 the qualifying period.

21 D. No later than three days after receipt of two hundred  
 22 fifty qualifying contributions on behalf of a participating  
 23 candidate, the secretary shall certify a participating candidate  
 24 who has complied with requirements of this subsection. In order to  
 25 be certified, candidates shall have:

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1 (1) filed a declaration of intent to participate in  
2 the Taxpayer Funded Election Act public financing pilot project;

3 (2) submitted the appropriate number of qualifying  
4 contributions;

5 (3) complied with seed money contribution and  
6 expenditure restrictions; and

7 (4) otherwise met the requirements for participation  
8 in the Taxpayer Funded Election Act public financing pilot project.

9 E. Upon certification, a certified candidate shall  
10 transmit to the secretary the balance of unspent seed money for  
11 deposit into the fund.

12 F. Certified candidates shall limit campaign expenditures  
13 and debts to the amount of revenues distributed to the certified  
14 candidate from the fund. A certified candidate may accept up to a  
15 total of ten thousand dollars (\$10,000) of in-kind contributions  
16 during the qualifying period and election cycle. All revenues  
17 distributed from the fund to a certified candidate shall be used  
18 for campaign-related purposes.

19 G. The secretary shall distribute to certified candidates  
20 the following amounts from the fund:

21 (1) within three days after certification,  
22 seventeen thousand dollars (\$17,000) for primary elections; and

23 (2) within three days after the primary,  
24 seventeen thousand dollars (\$17,000) for contested general  
25 elections. Money from the fund shall not be distributed for

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1 uncontested primary or general elections.

2 H. Money from the fund that is distributed prior to the  
3 primary election may be held over and used for the general  
4 election; however, all unspent money from the fund distributed to  
5 unsuccessful certified candidates in a primary, plus any accrued  
6 interest on such money, shall be transmitted to the secretary for  
7 deposit into the fund by 5:00 p.m. on the thirtieth day after the  
8 primary. All unspent money distributed from the fund, plus any  
9 accrued interest on such money shall be transmitted to the  
10 secretary for deposit back into the fund by 5:00 p.m. on the  
11 thirtieth day after the general election.

12 I. Certified candidates without party affiliation and  
13 certified candidates enrolled in minor political parties are  
14 eligible for revenues from the fund in the same amounts, and at the  
15 same time, as certified candidates from major parties for general  
16 elections.

17 J. If a certified candidate is opposed by a  
18 nonparticipating candidate in either the primary or general  
19 election, then the expenditure limits on the certified candidate  
20 shall be waived, and the certified candidate shall receive  
21 additional money from the fund equal to the amount spent by the  
22 nonparticipating candidate above the expenditure limits for  
23 certified candidates, up to a limit of two times the amount  
24 distributed under Subsection G of this section.

25 K. Notwithstanding any other provision of law,

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1 participating candidates and certified candidates shall report any  
2 money collected and all campaign expenditures, obligations and  
3 related activities to the secretary in accordance with the  
4 provisions of Section 1-19-29 NMSA 1978. Nonparticipating  
5 candidates shall report any money collected and all campaign  
6 expenditures, obligations and related activities to the secretary  
7 beginning at 5:00 p.m. on the first Friday in April of the election  
8 year for the primary election and the first Friday in September for  
9 the general election and 5:00 p.m. on every Friday thereafter  
10 through the Friday before the election, for all expenditures made  
11 or contributions received by 5:00 p.m. on the previous Tuesday.  
12 Any expenditure or contribution in excess of one thousand dollars  
13 (\$1,000) that is made or received after 5:00 p.m. on the Tuesday  
14 before the election shall be reported to the secretary of state in  
15 a supplemental report within twenty-four hours. A final report of  
16 expenditures and contributions is due by 5:00 p.m. on the thirtieth  
17 day after the primary and general elections.

18 L. No political committee or person, other than a  
19 nonparticipating candidate who contributes to his own campaign,  
20 shall make contributions that, in the aggregate, exceed five  
21 hundred dollars (\$500) to a candidate or his campaign committee  
22 with respect to an election covered by the Taxpayer Funded Election  
23 Act.

24 M Candidates participating in the Taxpayer Funded  
25 Election Act public financing pilot project shall comply with all

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1 other applicable, nonconflicting election and campaign laws and  
2 regulations.

3 N. The secretary may adopt regulations and reporting  
4 forms necessary to implement the provisions of the Taxpayer Funded  
5 Election Act, including regulations regarding qualification,  
6 certification, disbursement of fund revenues and return of unspent  
7 fund revenues. The secretary shall adopt regulations for  
8 challenges to certification decisions, races involving special  
9 elections, recounts, vacancies, withdrawals or replacement  
10 candidates. In developing regulations and forms, the secretary  
11 shall use existing campaign reporting procedures and forms whenever  
12 practicable.

13 Section 5. [NEW MATERIAL] TAXPAYER FUNDED ELECTION FUND  
14 CREATED. --

15 A. The "taxpayer funded election fund" is created as a  
16 revolving fund in the state treasury. The fund shall consist of  
17 appropriations, fees, seed money, qualifying contributions, gifts,  
18 grants, donations and interest earned on investment of money in the  
19 fund. Money in the fund is appropriated to the secretary and shall  
20 not revert at the end of the fiscal year.

21 B. The purpose of the fund is to provide funds for  
22 election campaigns pursuant to the provisions of the Taxpayer  
23 Funded Election Act.

24 C. The fund shall be administered by the secretary.  
25 Money in the fund shall be expended only on warrants drawn by the

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1 secretary of finance and administration pursuant to vouchers signed  
2 by the secretary or his authorized representative in accordance  
3 with the provisions of the Taxpayer Funded Election Act.

4 Section 6. [NEW MATERIAL] TAXPAYER FUNDED ELECTION TASK  
5 FORCE-- CREATED-- DUTIES. --

6 A. The "taxpayer funded election task force" is created.  
7 The task force shall function from the date of its appointment  
8 until December 31, 1998.

9 B. The task force shall be composed of nine members  
10 appointed as follows: three members shall be appointed by the  
11 governor; three members shall be appointed by the president pro  
12 tempore of the senate; and three members shall be appointed by the  
13 speaker of the house of representatives. No elected official shall  
14 be eligible to be a task force member. Each task force member  
15 shall have a history of involvement with the political process in  
16 New Mexico, with nonprofit organizations concerned with the  
17 electoral process, or both, for a period of at least two years  
18 prior to appointment. Members shall be eligible to receive per  
19 diem and mileage pursuant to the provisions of the Per Diem and  
20 Mileage Act.

21 C. The task force shall oversee and monitor the public  
22 financing pilot project pursuant to provisions of the Taxpayer  
23 Funded Election Act and, on completion of the pilot project, shall  
24 issue a report on its findings, conclusions and recommendations.  
25 In developing its report, the task force shall consider whether:

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- 1 (1) overall campaign expenditures were reduced;
- 2 (2) the amount of private contributions and
- 3 candidates' personal funds was significantly less; and
- 4 (3) new and additional candidates participated in
- 5 the campaigns.

6 Section 7. [NEW MATERIAL] EDUCATION AND VOLUNTARY  
 7 COMPLIANCE-- INVESTIGATIONS-- BINDING ARBITRATION-- REFERRALS FOR  
 8 ENFORCEMENT. --

9 A. The secretary shall advise and seek to educate all  
 10 persons required to perform duties pursuant to the provisions of  
 11 the Taxpayer Funded Election Act about those duties. The  
 12 secretary, in consultation with the attorney general, shall issue  
 13 advisory opinions, when requested in writing to do so, on matters  
 14 concerning that act. All prescribed forms prepared shall be clear  
 15 and easy to complete.

16 B. The secretary may initiate investigations to determine  
 17 whether a provision of the Taxpayer Funded Election Act has been  
 18 violated. Additionally, a person who believes that a provision of  
 19 that act has been violated may file a written complaint with the  
 20 secretary any time prior to ninety days after an election, except  
 21 that no complaints from the public may be filed within eight days  
 22 prior to an election. The secretary shall adopt procedures for  
 23 issuing advisory opinions and processing complaints and  
 24 notifications of violations.

25 C. The secretary shall at all times seek to ensure

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1 voluntary compliance with the provisions of the Taxpayer Funded  
2 Election Act. If the secretary determines that a provision of that  
3 act for which a penalty may be imposed has been violated, the  
4 secretary shall by written notice set forth the violation and the  
5 fine imposed and inform the reporting person that he has ten  
6 working days from the date of the letter to correct the matter and  
7 to provide a written explanation, under penalty of perjury, stating  
8 any reason why the violation occurred. If a timely explanation is  
9 filed and the secretary determines that good cause exists to waive  
10 the fine imposed, the secretary may by a written notice of final  
11 action partially or fully waive any fine imposed for any late,  
12 incomplete or false report or statement of exception. A written  
13 notice of final action shall be sent by certified mail.

14 D. Upon receipt of the notice of final action, the person  
15 against whom the penalty has been imposed may protest the  
16 secretary's determination, including an advisory opinion, by  
17 submitting on a prescribed form a written request for binding  
18 arbitration to the secretary within ten working days of the date of  
19 the notice of final action. Any fine imposed shall be due and  
20 payable within ten working days of the date of notice of final  
21 action. No additional fine shall accrue pending the issuance of  
22 the arbitration decision. Fines paid pursuant to a notice of final  
23 action that are subsequently reduced or dismissed shall be  
24 reimbursed with interest within ten working days after the filing  
25 of the arbitration decision with the secretary. Interest on the

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1 reduced or dismissed portion of the fine shall be the same as the  
2 rate of interest earned by the secretary's escrow account.

3 E. An arbitration hearing shall be conducted by a single  
4 arbitrator selected by the person against whom the penalty has been  
5 imposed from a list of five arbitrators provided by the secretary.  
6 The secretary shall provide notice of the selection within fifteen  
7 days of receipt of the request for arbitration. Neither the  
8 secretary nor a person subject to the Campaign Reporting Act,  
9 Lobbyist Regulation Act, Financial Disclosure Act or Taxpayer  
10 Funded Election Act may serve as an arbitrator. Arbitrators  
11 selected by the secretary shall be considered to be independent  
12 contractors, not public officers or employees, and shall not be  
13 paid per diem and mileage.

14 F. The arbitrator shall conduct the hearing within thirty  
15 days of the request for arbitration. The arbitrator may impose any  
16 penalty the secretary is authorized to impose. The arbitrator  
17 shall state the reasons for his decision in a written document that  
18 shall be a public record. The decision shall be final and binding.  
19 The decision shall be issued and filed with the secretary within  
20 thirty days of the conclusion of the hearing. Unless otherwise  
21 provided for in this section, or by rule or regulation adopted by  
22 the secretary, the procedures for the arbitration shall be governed  
23 by the Uniform Arbitration Act. No arbitrator shall be subject to  
24 liability for actions taken pursuant to this section.

25 G. The secretary may refer a matter to the attorney

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1 general or a district attorney for a civil injunctive or other  
2 appropriate order or enforcement.

3 Section 8. [NEW MATERIAL] REPORTS AND STATEMENTS--LATE  
4 FILING PENALTY--FAILURE TO FILE.--

5 A. For certified candidates, the penalties shall be the  
6 same as those provided in Sections 1-19-34.6, 1-19-35 and 1-19-36  
7 NMSA 1978.

8 B. For nonparticipating candidates:

9 (1) if a report of expenditures and contributions,  
10 except for a report required to be filed and delivered the Friday  
11 before the election and any supplemental report, as required in  
12 Subsection K of Section 4 of the Taxpayer Funded Election Act, that  
13 is due prior to the election, contains false or incomplete  
14 information or is filed after any deadline imposed by the Taxpayer  
15 Funded Election Act, the responsible nonparticipating candidate, in  
16 addition to any other penalties or remedies prescribed by the  
17 Election Code, shall be liable for and shall pay to the secretary  
18 of state fifty dollars (\$50.00) per day for each regular working  
19 day after the time required by the Taxpayer Funded Election Act for  
20 the filing of reports of expenditures and contributions until the  
21 complete or true statement or report is filed, up to a maximum of  
22 five thousand dollars (\$5,000);

23 (2) if any nonparticipating candidate files a false,  
24 incomplete or late report of expenditures and contributions due on  
25 the Friday prior to the election, the candidate shall be liable and

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1 pay to the secretary of state five hundred dollars (\$500) for the  
2 first working day and fifty dollars (\$50.00) for each subsequent  
3 working day after the time required for the filing of the report  
4 until the true and complete report is filed, up to a maximum of  
5 five thousand dollars (\$5,000);

6 (3) if a nonparticipating candidate fails to file or  
7 files a late supplemental report of expenditures and contributions  
8 as required in Subsection K of Section 4 of the Taxpayer Funded  
9 Election Act, the candidate shall be liable for and pay to the  
10 secretary of state a penalty equal to the amount of each  
11 contribution received or pledged after the Tuesday before the  
12 election that was not timely filed;

13 (4) all sums collected for the penalty shall be  
14 deposited in the state general fund. A report shall be deemed  
15 timely filed only if it is received by the secretary of state by  
16 the date and time prescribed by law;

17 (5) any nonparticipating candidate who fails or  
18 refuses to file a report of expenditures and contributions or to  
19 pay a penalty imposed by the secretary of state as required by the  
20 Taxpayer Funded Election Act shall not, in addition to any other  
21 penalties provided by law:

22 (a) have his name printed upon the ballot if  
23 the violation occurs before and through the final date for the  
24 withdrawal of candidates; or

25 (b) be issued a certificate of nomination or

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1 election, if the violation occurs after the final date for  
2 withdrawal of candidates or after the election, until the candidate  
3 satisfies all reporting requirements of the Taxpayer Funded  
4 Election Act and pays all penalties owed; and

5 (6) any nonparticipating candidate who loses an  
6 election and who fails or refuses to file a report of expenditures  
7 and contributions or to pay a penalty imposed by the secretary of  
8 state as required by the Taxpayer Funded Election Act shall not be,  
9 in addition to any other penalties provided by law, permitted to  
10 file a declaration of candidacy or nominating petition for any  
11 future election until the candidate satisfies all reporting  
12 requirements of the Taxpayer Funded Election Act and pays all  
13 penalties owed.

14 Section 9. Section 1-19-29.1 NMSA 1978 (being Laws 1993,  
15 Chapter 46, Section 6, as amended) is amended to read:

16 "1-19-29.1. CAMPAIGN FUNDS--LIMITATION ON USE. --

17 A. It is unlawful for any candidate or his agent to make  
18 an expenditure of contributions received, except for the following  
19 purposes or as otherwise provided in this section:

20 (1) expenditures of the campaign;

21 (2) expenditures of legislators that are reasonably  
22 related to performing the duties of the office held, including  
23 mail, telephone and travel expenditures to serve constituents, but  
24 excluding personal and legislative session living expenses;

25 (3) donations to the [state] general fund;

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1 (4) donations to an organization to which a federal  
2 income tax deduction would be permitted under Subparagraph (A) of  
3 Paragraph (1) of Subsection (b) of Section 170 of the Internal  
4 Revenue Code of 1986, as amended;

5 (5) expenditures to eliminate the campaign debt of  
6 the candidate for the office sought or expenditures incurred by the  
7 candidate when seeking election to another public office covered by  
8 the Campaign Reporting Act, except the state auditor;

9 (6) donations to a political party or to another  
10 candidate seeking election to public office, except the state  
11 auditor; or

12 (7) disbursements to return unused funds pro rata to  
13 the contributors if no campaign debt exists.

14 B. A judge subject to a nonpartisan retention election or  
15 a candidate for judicial office shall solicit or accept campaign  
16 funds and return unused funds in accordance with the provisions of  
17 the Code of Judicial Conduct. "

18 Section 10. Effective December 31, 1998, Section 1-19-29.1  
19 NMSA 1978 (being Laws 1993, Chapter 46, Section 6, as amended and  
20 as further amended by Section 9 of this act) is amended to read:

21 "1-19-29.1. CAMPAIGN FUNDS--LIMITATION ON USE. --

22 A. It is unlawful for any candidate or his agent to make  
23 an expenditure of contributions received, except for the following  
24 purposes or as otherwise provided in this section:

25 (1) expenditures of the campaign;

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1 (2) expenditures of legislators that are reasonably  
2 related to performing the duties of the office held, including  
3 mail, telephone and travel expenditures to serve constituents, but  
4 excluding personal and legislative session living expenses;

5 (3) donations to the general fund;

6 (4) donations to an organization to which a federal  
7 income tax deduction would be permitted under Subparagraph (A) of  
8 Paragraph (1) of Subsection (b) of Section 170 of the Internal  
9 Revenue Code of 1986, as amended;

10 (5) expenditures to eliminate the campaign debt of  
11 the candidate for the office sought or expenditures incurred by the  
12 candidate when seeking election to another public office covered by  
13 the Campaign Reporting Act [~~except the state auditor~~];

14 (6) donations to a political party or to another  
15 candidate seeking election to public office [~~except the state~~  
16 ~~auditor~~]; or

17 (7) disbursements to return unused funds pro rata to  
18 the contributors if no campaign debt exists.

19 B. A judge subject to a nonpartisan retention election or  
20 a candidate for judicial office shall solicit or accept campaign  
21 funds and return unused funds in accordance with the provisions of  
22 the Code of Judicial Conduct. "

23 Section 11. Section 2-11-3 NMSA 1978 (being Laws 1977,  
24 Chapter 261, Section 3, as amended) is amended to read:

25 "2-11-3. REGISTRATION STATEMENT TO BE FILED-- CONTENTS--

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1 MODIFICATION TO STATEMENT. --

2 A. In the month of January prior to each regular session  
3 or before any service covered by the Lobbyist Regulation Act  
4 commences, any individual who is initially employed or retained as  
5 a lobbyist shall register with the secretary of state by paying an  
6 annual filing fee of [~~twenty five dollars (\$25.00)~~] one hundred  
7 dollars (\$100) for each of the lobbyist's employers, seventy-five  
8 dollars (\$75.00) of which shall be credited to the taxpayer funded  
9 election fund, and by filing a single registration statement under  
10 oath on a prescribed form showing:

11 (1) the lobbyist's full name, permanent business  
12 address and business address while lobbying; and

13 (2) the name and address of each of the lobbyist's  
14 employers.

15 B. No registration fee shall be required of individuals  
16 receiving only reimbursement of personal expenses and no other  
17 compensation or salary for lobbying. No expenditure statement  
18 required by Section 2-11-6 NMSA 1978 shall be required if the  
19 lobbyist anticipates making or incurring and makes or incurs no  
20 expenditures or political contributions under Section 2-11-6 NMSA  
21 1978. The lobbyist shall indicate in his registration statement  
22 whether those circumstances apply to him.

23 C. For each employer listed in Paragraph (2) of  
24 Subsection A of this section, the lobbyist shall file the following  
25 information:

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1 (1) a full disclosure of the sources of funds used  
2 for lobbying;

3 (2) a written statement from each of the lobbyist's  
4 employers authorizing him to lobby on the employer's behalf;

5 (3) a brief description of the matters in reference  
6 to which the service is to be rendered; and

7 (4) the name and address of the person, if other  
8 than the lobbyist or his employer, who will have custody of the  
9 accounts, bills, receipts, books, papers and documents required to  
10 be kept under the provisions of the Lobbyist Regulation Act.

11 D. For each succeeding year that an individual is  
12 employed or retained as a lobbyist by the same employer, and for  
13 whom all the information disclosed in the initial registration  
14 statement remains substantially the same, the lobbyist shall file a  
15 simple annual registration renewal in January and pay the [~~twenty-~~  
16 ~~five dollar (\$25.00)~~] one hundred dollar (\$100) filing fee for each  
17 of the lobbyist's employers together with a short, abbreviated  
18 prescribed form for renewal.

19 E. Whenever there is a modification of the facts required  
20 to be set forth by this section or there is a termination of the  
21 lobbyist's employment as a lobbyist before the end of the calendar  
22 year, the lobbyist shall notify the secretary of state within one  
23 month of such occurrence and shall furnish full information  
24 concerning the modification or termination. If the lobbyist's  
25 employment terminates at the end of a calendar year, no separate

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1 termination report need be filed."

2 Section 12. Effective December 31, 1998, Section 2-11-3 NMSA  
3 1978 (being Laws 1977, Chapter 261, Section 3, as amended and as  
4 further amended by Section 11 of this act) is amended to read:

5 "2-11-3. REGISTRATION STATEMENT TO BE FILED--CONTENTS--  
6 MODIFICATION TO STATEMENT.--

7 A. In the month of January prior to each regular session  
8 or before any service covered by the Lobbyist Regulation Act  
9 commences, any individual who is initially employed or retained as  
10 a lobbyist shall register with the secretary of state by paying an  
11 annual filing fee of [~~one hundred dollars (\$100)~~] twenty-five  
12 dollars (\$25.00) for each of the lobbyist's employers, [~~seventy-~~  
13 ~~five dollars (\$75.00) of which shall be credited to the taxpayer~~  
14 ~~funded election fund~~] and by filing a single registration statement  
15 under oath on a prescribed form showing:

16 (1) the lobbyist's full name, permanent business  
17 address and business address while lobbying; and

18 (2) the name and address of each of the lobbyist's  
19 employers.

20 B. No registration fee shall be required of individuals  
21 receiving only reimbursement of personal expenses and no other  
22 compensation or salary for lobbying. No expenditure statement  
23 required by Section 2-11-6 NMSA 1978 shall be required if the  
24 lobbyist anticipates making or incurring and makes or incurs no  
25 expenditures or political contributions under Section 2-11-6 NMSA

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1 1978. The lobbyist shall indicate in his registration statement  
2 whether those circumstances apply to him.

3 C. For each employer listed in Paragraph (2) of  
4 Subsection A of this section, the lobbyist shall file the following  
5 information:

6 (1) a full disclosure of the sources of funds used  
7 for lobbying;

8 (2) a written statement from each of the lobbyist's  
9 employers authorizing him to lobby on the employer's behalf;

10 (3) a brief description of the matters in reference  
11 to which the service is to be rendered; and

12 (4) the name and address of the person, if other  
13 than the lobbyist or his employer, who will have custody of the  
14 accounts, bills, receipts, books, papers and documents required to  
15 be kept under the provisions of the Lobbyist Regulation Act.

16 D. For each succeeding year that an individual is  
17 employed or retained as a lobbyist by the same employer, and for  
18 whom all the information disclosed in the initial registration  
19 statement remains substantially the same, the lobbyist shall file a  
20 simple annual registration renewal in January and pay the [~~one~~  
21 ~~hundred-dollar (\$100)~~] twenty-five dollar (\$25.00) filing fee for  
22 each of the lobbyist's employers together with a short, abbreviated  
23 prescribed form for renewal.

24 E. Whenever there is a modification of the facts required  
25 to be set forth by this section or there is a termination of the

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Underscored material = new  
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1 lobbyist's employment as a lobbyist before the end of the calendar  
 2 year, the lobbyist shall notify the secretary of state within one  
 3 month of such occurrence and shall furnish full information  
 4 concerning the modification or termination. If the lobbyist's  
 5 employment terminates at the end of a calendar year, no separate  
 6 termination report need be filed."

7 Section 13. APPROPRIATIONS. --

8 A. Two hundred fifty thousand dollars (\$250,000) is  
 9 appropriated from the general fund to the taxpayer funded election  
 10 fund for expenditure in fiscal years 1998 and 1999 for the purpose  
 11 of providing public funds for election campaigns covered by the  
 12 Taxpayer Funded Election Act. Any unexpended or unencumbered  
 13 balance remaining in the fund at the end of fiscal year 1999 shall  
 14 revert to the general fund.

15 B. One hundred thousand dollars (\$100,000) is  
 16 appropriated from the general fund to the secretary of state for  
 17 expenditure in fiscal years 1998 and 1999 for the purpose of  
 18 administering the Taxpayer Funded Election Act, hiring an  
 19 additional full-time-equivalent employee and providing for the  
 20 costs of the taxpayer funded election task force. Any unexpended  
 21 or unencumbered balance remaining at the end of fiscal year 1999  
 22 shall revert to the general fund.

23 Section 14. DELAYED REPEAL. -- Effective December 31, 1998 the  
 24 Taxpayer Funded Election Act is repealed.

25 Section 15. APPLICATION OF ACT. -- The provisions of this act

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1 apply to elections for the office of state auditor through December  
2 31, 1998.

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

March 15, 1997

Mr. President:

Your RULES COMMITTEE, to whom has been referred

SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR  
SENATE BILL 569

has had it under consideration and reports same WITHOUT  
RECOMMENDATION, and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

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Gloria Howes, Chairman

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SJC/SB 569

FORTY- SECOND LEGI SLATURE  
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KEYBOARD(TYPE SLUGS)

Page 48

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chi ef Clerk) (Chi ef Clerk)

Date \_\_\_\_\_

The roll call vote was 4 For 2 Against

Yes: 4

No: Adair, Gorham

Excused: Aragon, Rodarte

Absent: None

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